

117TH CONGRESS  
2D SESSION

# H. R. 7512

To amend title XXVII of the Public Health Service Act, title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to limit enrollment in coverage for excepted benefits to individuals enrolled in a health plan providing minimum essential coverage.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2022

Mrs. HAYES (for herself and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Education and Labor, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend title XXVII of the Public Health Service Act, title I of the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to limit enrollment in coverage for excepted benefits to individuals enrolled in a health plan providing minimum essential coverage.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1   **SECTION 1. SHORT TITLE.**

2       This Act may be cited as the “Protecting Patients  
3   from Deceptive Health Plans Act”.

4   **SEC. 2. MODIFYING EXCEPTED BENEFITS WITH RESPECT  
5                   TO CERTAIN PLANS.**

6       (a) PUBLIC HEALTH SERVICE ACT.—

7           (1) ADDITIONAL REQUIREMENTS FOR EX-  
8   CEPTED BENEFIT.—Section 2722(c)(2) of the Public  
9   Health Service Act (42 U.S.C. 300gg-21(c)(2)) is  
10   amended—

11           (A) in subparagraph (B), by striking  
12   “sponsor.” and inserting “sponsor, or with re-  
13   spect to individual coverage, under any health  
14   insurance coverage maintained by the same  
15   health insurance issuer.”; and

16           (B) by adding at the end the following:

17           “(D) Such benefits are paid without regard  
18   to, and do not vary based on, the severity of the  
19   illness, injury, diagnosis, or other characteris-  
20   tics related to treatment for which such benefits  
21   are paid.

22           “(E) With respect to such benefits, the  
23   separate policy, certificate, or contract of insur-  
24   ance is provided only to an individual enrolled  
25   in minimum essential coverage (as defined in  
26   section 5000A(f) of the Internal Revenue Code

1           of 1986), and such minimum essential cov-  
2         erage’s share of the total allowed costs (as de-  
3         termined for purposes of section  
4         36B(c)(2)(C)(ii) of such Code) of benefits pro-  
5         vided under such minimum essential coverage is  
6         greater than or equal to 60 percent of such  
7         costs.”.

8           (2) MODIFICATION OF CERTAIN EXCEPTED  
9         BENEFITS.—Section 2791(c) of the Public Health  
10      Service Act (42 U.S.C. 300gg–91(c)) is amended—

11           (A) in paragraph (1)(A), by striking “acci-  
12         dent” and all that follows through “combination  
13         thereof”, and inserting “disability income insur-  
14         ance”; and

15           (B) in paragraph (3), by adding at the end  
16         the following:

17           “(C) Coverage only for accident.”.

18           (b) EMPLOYEE RETIREMENT INCOME SECURITY  
19      ACT.—

20           (1) ADDITIONAL REQUIREMENTS FOR EX-  
21         CEPTED BENEFITS.—Section 732(c)(2) of the Em-  
22         ployee Retirement Income Security Act of 1974 (29  
23         U.S.C. 1191a(c)(2)) is amended by adding at the  
24         end the following:

1                 “(D) Such benefits are paid without regard  
2                 to, and do not vary based on, the severity of the  
3                 illness, injury, diagnosis, or other characteris-  
4                 ties related to treatment for which such benefits  
5                 are paid.

6                 “(E) With respect to such benefits, the  
7                 separate policy, certificate, or contract of insur-  
8                 ance is provided only to a participant or bene-  
9                 ficiary enrolled in minimum essential coverage  
10                 (as defined in section 5000A(f) of the Internal  
11                 Revenue Code of 1986), and such minimum es-  
12                 sential coverage’s share of the total allowed  
13                 costs (as determined for purposes of section  
14                 36B(c)(2)(C)(ii) of such Code) of benefits pro-  
15                 vided under such minimum essential coverage is  
16                 greater than or equal to 60 percent of such  
17                 costs.”.

18                 (2) MODIFICATION OF CERTAIN EXCEPTED  
19                 BENEFITS.—Section 733(c) of the Employee Retire-  
20                 ment Income Security Act of 1974 (29 U.S.C.  
21                 1191b(c)) is amended—

22                 (A) in paragraph (1)(A), by striking “acci-  
23                 dent” and all that follows through “combination  
24                 thereof”, and inserting “disability income insur-  
25                 ance”; and

(B) in paragraph (3), by adding at the end  
the following:

“(C) Coverage only for accident.”.

(c) INTERNAL REVENUE CODE.—

(1) ADDITIONAL REQUIREMENTS FOR EX-  
CEPTED BENEFITS.—Section 9831(c)(2) of the In-  
ternal Revenue Code of 1986 is amended by adding  
at the end the following:

“(D) Such benefits are paid without regard to, and do not vary based on, the severity of the illness, injury, diagnosis, or other characteristics related to treatment for which such benefits are paid.

“(E) With respect to such benefits, the separate policy, certificate, or contract of insurance is provided only to a participant or beneficiary enrolled in minimum essential coverage (as defined in section 5000A(f)), and such minimum essential coverage’s share of the total allowed costs (as determined for purposes of section 36B(c)(2)(C)(ii)) of benefits provided under such minimum essential coverage is greater than or equal to 60 percent of such costs.”.

1                             (2) MODIFICATION OF CERTAIN EXCEPTED  
2                             BENEFITS.—Section 9832(c) of the Internal Rev-  
3                             enue Code of 1986 is amended—

4                             (A) in paragraph (1)(A), by striking “acci-  
5                             dent” and all that follows through “combination  
6                             thereof”, and inserting “disability income insur-  
7                             ance”; and

8                             (B) in paragraph (3), by adding at the end  
9                             the following:

10                             “(C) Coverage only for accident.”.

11                             (d) EFFECTIVE DATE.—The amendments made by  
12                             this section shall take effect beginning January 1, 2023,  
13                             and shall apply with respect to policies issued, sold, or re-  
14                             newed on or after such date.

